

Ask



LOCAL HELP FOR PEOPLE WITH MEDICARE

SHIP

Q: I'm planning my budget for 2011. How much will my Medicare prescription drug costs change?

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Sarah Reimmuth**

A: The average 2011 Medicare prescription drug plan premiums will remain similar to rates beneficiaries are paying in 2010.

A very low rise in premiums as well as discounts on brand-name drugs because of the Affordable Care Act should help make medications more affordable for Medicare beneficiaries in 2011. There will also be coverage of generics in the donut hole.

The benchmark Low-Income Premium Subsidy Amounts for Indiana is \$36.44 for 2011. An increase of \$.69 from 2010. This is the maximum monthly premium that will be paid by CMS for persons qualifying for "Extra Help."

If a person receiving the low-income subsidy (LIS) enrolls in a Medicare Part D plan which has a premium higher than the amount listed above, the beneficiary is responsible for paying the difference in premium.

Premiums paid by Part D enrollees cover about 25% of the cost of basic Part D coverage. Enrollees with limited incomes may qualify for the low-income subsidy (LIS),

or "Extra Help". This subsidy usually covers some or all of the beneficiary's premium, deductible, copayments, and the cost of drugs in the coverage gap.

To apply for Low Income Subsidy, go to www.ssa.gov, visit your local Social Security Office, or contact SHIP at 1-800-452-4800.

Currently, more than 10 million Medicare beneficiaries are receiving LIS benefits. In 2011,

the average value of the subsidy amount applied to the Part D benefit, premium, and cost-sharing for those enrolled in the LIS program is estimated to be about \$4,000.

If you would like more information about Medicare, Medicaid, or health insurance, call SHIP for help at 1-800-452-4800, TTY 1-866-846-0139 or online at www.medicare.in.gov.

Part D Standard Benefit Design Parameters:	2009	2010	2011
Low-Income Premium Subsidy Amounts	\$33.95	\$35.75	\$36.44
Deductible - (after the Deductible is met, Beneficiary pays 25% of covered costs up to total prescription costs meeting the Initial Coverage Limit.	\$295	\$310	\$310
Out-of-Pocket Threshold - This is the Total Out-of-Pocket Costs including the Donut Hole.	\$4,350	\$4,550	\$4,550
Minimum Co-Pays (Catastrophic Coverage Benefit)			
Generic/Preferred	\$2.40	\$2.50	\$2.50
Other Drugs	\$6.00	\$6.30	\$6.30

SHIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. To schedule an appointment with SHIP, call 1-800-452-4800, TTY 1-866-846-0139 or visit www.Medicare.IN.gov to find your local site.